

State of Alaska
FY2010 Governor's Operating Budget

Department of Labor and Workforce Development
Second Injury Fund
Component Budget Summary

Component: Second Injury Fund

Contribution to Department's Mission

The Second Injury Fund component contributes to the department's mission by facilitating reemployment of injured workers.

Core Services

- Collect assessments from insurers and self-insured employers.
- Assist employers in hiring and retaining employees with qualifying disabilities through disability benefit reimbursements.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$3,978,000

Personnel:

Full time	2
Part time	0
Total	2

Key Component Challenges

In *Raymond Clark v. Kennecott Greens Creek Mining*, AWCAC Decision No. 07-0077, June 9, 2008, the Alaska Workers' Compensation Appeals Commission found that the Second Injury Fund must reimburse benefits paid pursuant to AS 23.30.041(k). Since the Fund does not assess .041(k) benefits under AS 23.30.040(b), this ruling may increase the Fund's liability substantially. Over time this could have a significant negative impact to the Fund balance.

Significant Changes in Results to be Delivered in FY2010

No significant changes expected.

Major Component Accomplishments in 2008

The Fund was able to reimburse employers and/or insurers \$2.9 million in FY 08.

Statutory and Regulatory Authority

Statutory Authority:

AS 23.30.040	Second Injury Fund
AS 23.30.205	Injury Determination

Administrative Regulations:

8 AAC 50	Second Injury Fund
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Contact Information

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**Second Injury Fund
Component Financial Summary**

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	154.6	174.1	178.5
72000 Travel	0.0	2.5	2.5
73000 Services	24.3	44.8	44.8
74000 Commodities	0.2	5.2	5.2
75000 Capital Outlay	0.0	8.0	8.0
77000 Grants, Benefits	2,948.6	3,739.0	3,739.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,127.7	3,973.6	3,978.0
Funding Sources:			
1004 General Fund Receipts	0.2	0.2	0.2
1031 Second Injury Fund Reserve Account	3,127.5	3,973.4	3,977.8
Funding Totals	3,127.7	3,973.6	3,978.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
Second Injury Fund Reserve Account	51075	3,127.5	3,973.4	3,977.8
Unrestricted Total		3,127.5	3,973.4	3,977.8
Restricted Revenues				
None.		0.0	0.0	0.0
Restricted Total		0.0	0.0	0.0
Total Estimated Revenues		3,127.5	3,973.4	3,977.8

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	0.2	0.0	3,973.4	3,973.6
Adjustments which will continue current level of service:				
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	0.0	0.0	4.4	4.4
FY2010 Governor	0.2	0.0	3,977.8	3,978.0

**Second Injury Fund
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2009 Management Plan	FY2010 Governor		
Full-time	2	2	Annual Salaries	116,166
Part-time	0	0	COLA	4,657
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	63,067
			<i>Less 2.93% Vacancy Factor</i>	(5,390)
			Lump Sum Premium Pay	0
Totals	2	2	Total Personal Services	178,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Worker Comp Off I	0	0	1	0	1
Worker Comp Technician	0	0	1	0	1
Totals	0	0	2	0	2